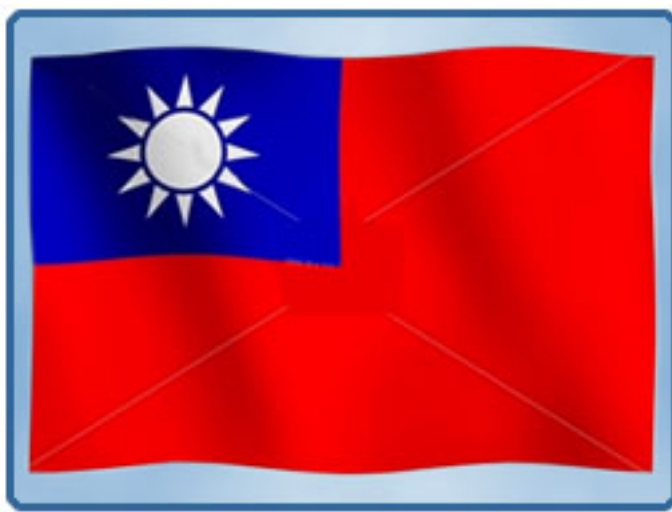


20090713 Carnegie Council - Johnny C Chiang - Taiwan_ Building Partnerships for Asia-Pacific Economic Integration (transcript)

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July 13, 2010



Flag of Republic of China [Taiwan]

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Introduction

JOEL ROSENTHAL: Thank you all for coming.

I'm Joel Rosenthal, President of the Carnegie Council for Ethics in International Affairs. It's a pleasure to see all of you out here on a not-so-beautiful summer afternoon.

I was once asked many years ago why the Carnegie Council doesn't have more programs during the summer. I was reminded of a quote from [Henry James](#). He once wrote, "The two most beautiful words in the English language are 'summer afternoon.'" So we decided not to get in the way of that.

But it's a rainy day, it's a good day to be inside, and thank you all for coming out.

I also want to begin by thanking the sponsors of this program, the [Taipei Economic and Cultural Office](#) and the [Overseas Press Club](#). It's always a pleasure to work with such distinguished and professional organizations. I want to thank them for making this program possible, but also thank them for the work that they do in promoting international understanding and international education.

It's also a great pleasure to be hosting Minister Johnny Chiang of the Government Information Office of the Republic of China. Prior to assuming this position, Minister Chiang was the deputy executive director of the Chinese-Taipei Pacific Economic Cooperation Committee. In addition, he served as the acting director for the Department of International Affairs at the Taiwan Institute of Economic Research and as deputy executive director of the Chinese-Taipei APEC Study Center.

Minister Chiang is currently an Associate Professor in the Department of Political Science at Soochow University, and it was in that capacity that I actually met Minister Chiang for the first time last fall, when he was here as part of a visiting delegation. We met upstairs and had a very nice chat about the future of the study of international relations.

In addition to your government service, I admire your work as a teacher and a scholar.

Minister Chiang's discussion will focus on the new economic and political initiatives across the Taiwan Strait and what this means for Taiwan-U.S. relations. There have been some historic developments in this area in the first half of this year so we look forward to his update and commentary.

Please join me in giving a very warm welcome to Minister Johnny Chiang.

Remarks

JOHNNY CHIANG: Thank you very much, Dr. Rosenthal, for that kind introduction.

Dr. Rosenthal, Dr. Vocke, Mr. Frank, members of the international press corps, ladies and gentlemen: it is an honor to be here. I thank the Carnegie Council and the Overseas Press Club of America for this wonderful opportunity to speak to you.

I guess you all enjoyed the lunch. I now have the daunting challenge to match the fantastic food we just had with some substantial food for thought.

I am delighted to be visiting your country not long after you celebrate your national day, and to

speak with you on the very day when American Major League Baseball honors its top players with the special All Stars Game.

The people of Taiwan share a love of baseball with Americans. We are proud of our Taiwan-born players who have contributed to the game at the top level, [Chien-Ming Wang](#) of the Washington Nationals, [Hong-Chih Kuo](#) of the LA Dodgers, and [Fu-Te Ni](#) of the Detroit Tigers, to name just a few. Baseball is just one of many ways that the Republic of China [Taiwan] shares a deep and lasting bond with the United States.

To professional baseball players, it is crucial who makes and who does not make the All-Stars team. The same is true among trading nations.

My remarks today are about how Taiwan is working to ensure it makes the All-Stars team of the Asian regional economy. In particular, I want to share some thoughts on how Taiwan is preparing for greater integration into the Asia-Pacific and global economy, and how crucial the Taiwan-U.S. relationship is to the process.

The global economy is increasingly interdependent. In this new economic environment, lowering trade barriers and finding trading synergy is important.

Ideally, the World Trade Organization [WTO] should provide a framework for global economic integration. However, the [Doha Round](#) of WTO talks is currently at an impasse. As a result, trading partners in the Asia-Pacific are turning to bilateral approaches, like free trade agreements (FTAs) or regional trade agreements (RTAs) to lower trade barriers.

According to the WTO, some 462 RTAs and FTAs have been notified to the [General Agreement on Tariffs and Trade](#) [GATT] or WTO up to February this year. The overall number of RTAs and FTAs in force has been steadily increasing.

Taiwan sees the region around it integrating via bilateral agreements. The [Association of South East Asian Nations](#) [ASEAN], for instance, has signed FTAs with three of Taiwan's top trading partners: Mainland China, South Korea, and Japan. ASEAN also signed an FTA with Australia, New Zealand, and India.

On January 1st of this year, an FTA between ten ASEAN members and Mainland China came into effect, creating a free trade area consisting of 1.9 billion people and a combined GDP [Gross Domestic Product] of nearly (US)\$6 trillion.

Since the outbreak of the global financial crisis two years ago, the [ASEAN Plus Three](#) [APT], which is a coordinating cooperation between ten ASEAN members plus Mainland China, South Korea, and Japan, has gained prominence.

While ASEAN is only one competing model for Asia-Pacific regional integration, it signals a trend of bilateral approaches that Taiwan cannot ignore.

So we must not allow ourselves to become economically marginalized. The need for Taiwan to

seek greater integration is obvious.

Trade is Taiwan's lifeline. Exports alone were nearly 54 percent of our total GDP in 2009 and 64 percent in 2008. So trade is unquestionably essential to Taiwan's economic survival and growth.

Taiwan has sought to engage with its trading partners in FTA discussions. However, its special status with Mainland China has posed difficulties to achieving this objective. This was especially true during the period of tense cross-Straits relations before President [Ma Ying-jeou](#) was elected in 2008.

President Ma's policies of reopening channels, cross-Straits talks, and flexible diplomacy have now resulted in a significant reduction of such tensions. There have been five rounds of cross-Straits talks, resulting in 14 agreements to deal with pressing issues across the Taiwan Strait.

Beginning on July 4, 2008, Chinese tourists are allowed to visit Taiwan. So far, Taiwan has received more than 1.28 million Mainland tourists. Currently there are 370 direct flights flying between Mainland China and Taiwan every week.

All this has been accomplished by seeking prudent, pragmatic, and timely solutions that avoid zero-sum competition and zero-sum outcomes.

It has also been achieved by negotiating on the basis of parity, mutual respect, and mutual benefit. It is now more possible for Taipei to build partnerships for greater economic integration with the entire region.

Currently Taiwan's largest trading partner is Mainland China. Two-way trade with Mainland China, including Hong Kong, was nearly 29 percent of Taiwan's entire external trade in 2009. The East Asia area, adding in Japan and South Korea, accounted for 47 percent. Asia as a region, 18 ASEAN countries, accounted for close to 60 percent. The entire Asia-Pacific region, adding in primarily the United States, was more than 71 percent. Clearly, the Asia-Pacific region is vital to Taiwan's economic future.

Following the financial crisis of the past two years, Asia is now considered the brightest area of economic growth, and greater participation in regional economic integration is crucial for Taiwan.

Conversely, any attempt at regional economic integration that fails to include Taiwan in a meaningful way will hold the entire Asia-Pacific region back from attaining its full potential.

Taiwan is one of the world's largest suppliers of contract computer chip manufacturing and is a leading LCD panel manufacturer, the leader in networking equipment and consumer electronics design and manufacturing. We are also known globally for our solar power and LED lighting technology. A good deal of our exports to the United States are electronic products.

In short, Taiwan needs regional economic integration and regional economic integration needs Taiwan. Therefore, building the necessary partnerships in the region is essential to prevent

marginalization and to foster healthy regional economic integration.

We have signed an [Economic Cooperation Framework Agreement](#) [ECFA] with Mainland China on June 29, 2010. It is actually just one of 14 agreements signed between Taiwan and Mainland China since President Ma took office in 2008.

ECFA is designed to institutionalize cross-Strait economic relations, allow Taiwanese products a more level playing field in the Mainland market, and make Taiwan more internationally competitive.

ECFA is not an end in itself. It is a cornerstone for additional agreements to be worked out later in such areas as investment, trade in goods, and trade in services.

It includes tariff waivers on certain trade goods and preferential market access; 539 of Taiwan's tariffed items are on the initial early harvest list, along with 267 Mainland tariffed items.

Once the ECFA comes into effect, it allows for the two sides to subsequently work out additional agreements to expand the number of tariff-reduction items and to further institutionalize cross-Strait investment.

ECFA will require revising domestic laws in Taiwan. So our national legislature is currently reviewing the agreement. This gives elected representatives of the people a say in its approval.

President Ma has said that signing the ECFA has major significance for Taiwan's cross-Strait relations, the Asia-Pacific region, and the world.

It represents three giant steps forward.

- Number one, it is one giant step for overcoming Taiwan's economic isolation.
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- Number two, it is also one giant step toward mutually beneficial cross-Strait trade and cooperation.
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- And finally, it is one giant step for speeding up the integration of Asia.
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While signing the ECFA is momentous, it is just one part of the process, not the end goal. There are many other partnerships to build.

As a WTO member, Taiwan has the right to negotiate member-to-member FTAs. Following the ECFA signing, President Ma has made FTA talks with Taiwan's other trading partners an administrative priority.

This government has done everything reasonable to reach out to the other side of the Strait, to dispel misunderstandings and to build confidence. Our concerted efforts to ease cross-Strait tensions have reduced uncertainties in one of Asia's traditional fracture points.

As cross-Strait relations improve, constraints on Taiwan's international room for maneuver should continue to be loosened.

Our policy of flexible diplomacy includes a diplomatic truce with Beijing. This allows both sides to end the zero-sum competition for diplomatic partners. It also frees up resources to better help our respective diplomatic partners and is consistent with the spirit of improving cross-Strait ties.

For instance, following the devastating earthquake in Haiti at the start of this year, my government and the Taiwan public jointly pledged (US)\$18.5 million worth of disaster relief funds and humanitarian supplies. This assistance plan for Haiti covers such areas as public health, housing, job creation, and the adoption of orphaned children. Taiwan was there for a long-time diplomatic partner in its hour of need.

Public health is another area in which Taiwan has been able to redeploy its resources on behalf of the international community. Taiwan's inclusion in the WHO [Global Outbreak Alert and Response Network](#) has enabled us to more effectively interact with the international community and receive information in a timely manner.

Taiwan has established a major [H1N1](#) vaccine storage center to store our remaining stocks of the H1N1 vaccine to share with the international community. At the [World Health Assembly](#) in Geneva this year, we pledged to donate 2 million doses of the vaccine to Guatemala.

Taiwan produces the H1N1 vaccines. We do not just use it for ourselves, but we donate it to other countries too.

My government's struggle for more meaningful participation in UN-affiliated agencies, such as WHO, is a major result of our democratic progress.

The backbone of democracy is popular representation. Meaningful participation in such organizations by officials of my government is essential. Only then can the interests of the Taiwanese people be genuinely voiced in such key international bodies. In turn, Taiwan can then share its considerable expertise with the international community and contribute to joint solutions of global problems.

American support for Taiwan's meaningful participation in the WHO, [United Nations Framework Convention on Climate Change](#) [UNFCCC], and the [International Civil Aviation Organization](#) [ICAO] is crucial and warmly appreciated.

Asia's economic importance has grown since the recent global financial crisis. This means that the United States has a greater stake than ever in the stability and prosperity of the Asia-Pacific region.

The enduring partnership between Taiwan and the United States remains a key part of the story. Since the change of the relationship between the United States and the Republic of China in 1979, the people of America have worked with the government and people of Taiwan to forge

remarkably strong and substantive ties.

One concrete symbol of this is the [Taiwan Relations Act of 1979](#) [TRA] which recognized the longstanding friendly ties between Taiwan and the United States. It also affirmed the importance of free and unfettered trade between Taiwan and America and, crucially, it stated the expectation that the future of Taiwan will be determined by peaceful means. For more than 30 years the TRA has successfully assured that the trade ties between us have continued to prosper.

In 2009 the United States was Taiwan's third-largest trading partner, with 11 percent of our total two-way trade. Historically, that figure has been much higher. Many of our exports to Mainland China today are re-exported to the United States. So our trading ties are even more substantial than that figure would imply.

As my government works to integrate Taiwan even more into the regional economy, this is an opportune time for Taiwan and the United States to sit down and explore ways to take our robust trading partnership to the next level. This could involve a further look at a [Trade and Investment Framework Agreement](#) [TIFA] approach or other ways to achieve this goal.

The Taiwan-U.S. partnership is about more than just trade. Taiwan has already secured visa exemptions from the United Kingdom, Ireland, Japan, and New Zealand. The European Commission has proposed granting [Schengen Area](#) visa waiver privileges to Taiwan. This is still awaiting adoption by the European Parliament and the European Council. We are also working for visa exemption from Canada and Australia, while Singapore and South Korea already offer landing visas.

This is clearly an excellent time to work out a visa waiver agreement with the United States, given the high degree of interest by the people of Taiwan in traveling to America for sightseeing or to visit relatives.

For Taiwan and the United States trade and security go hand in hand. The TIFA has also provided crucial support for Taiwan's security as we achieved the transition to democracy.

Taiwan's democratic achievement is a source of hope and inspiration. It unites the people of Taiwan regardless of their different political views.

We can and will defend our democracy, our rights and freedoms, even as we pursue institutionalization of economic relations with Mainland China.

Our democracy, however, is not a bargaining chip. It is nonnegotiable. This is a point on which the entire Taiwan public is determined, united, and resolute.

Firm in this resolve, my government has reached out to Beijing with goodwill gestures to create the right conditions for improvement of relations.

However, we remain mindful of Mainland China's military. Taiwan still faces a significant security

threat. This limits what goodwill gestures can do to spur public confidence in the benefit of cross-Strait accords.

President Ma has called on the Chinese mainland to stand down and withdraw the missiles aimed at Taiwan. Their deployment is not consonant with building a positive partnership. A credible military deterrence for Taiwan is essential to prevent any miscalculation that could lead to armed conflict.

Taiwan's foremost security objective is to be self-reliant. However, Taiwan needs certain armaments that it cannot manufacture itself. According to the Taiwan Relations Act, it is the policy of the United States to provide Taiwan with arms of a defensive character. This was drafted to ensure that the cross-Strait issue is resolved peacefully.

The [Obama](#) administration's approval of the sale of (US)\$6.4 billion worth of defensive arms to Taiwan earlier this year would contribute significantly to the stability of the region and the sustainability of democratic development in Taiwan.

Given that the global economy is increasingly interdependent, what happens in once-far-off Asia now matters more than ever to the United States. Taiwan is located at a key point in the Asia-Pacific region.

We know that our American friends are glad to see democracy take firm roots in Taiwan and want to see it prosper. There is no reason why it cannot continue to do so, even while Taiwan pursues better relations with Mainland China.

The people of Taiwan are proud of their democracy, and we will brook no intimidation of it. They are also consistent in their support of prudent pragmatism to ultimately find the wisest solution to complex cross-Strait issues.

My government has resumed a dialogue with Beijing. It has also delivered concrete results to assure Taiwan a brighter economic future and a sustainable democracy.

The situation is now conducive to building a positive partnership for greater regional economic integration. This includes working out FTAs with our trading partners and more meaningful participation in UN-affiliated agencies. Our actions reaffirm and reinforce the shared values of democracy, freedom, human rights, free trade, and peace that the people of Taiwan share with the United States.

The sustained support and the warm encouragement of the American people have been critical at each stage of building our enduring partnership, and they remain crucial as Taiwan strives to achieve greater regional economic integration in the 21st century.

Change has begun. My government and I look forward to working with the United States towards a sustainable and prosperous future.

Thank you very much.

Questions and Answers

QUESTION: We have a great deal of movement in America towards protectionism and a concern with job loss, much of it focused on China. Taiwan has a huge proportion of its export industry focused on China, and companies like Taiwan Semiconductor have already moved most of their jobs creating low-level semiconductors to the mainland.

Won't the Economic Cooperation Framework Agreement simply push the job loss in Taiwan and the process of moving manufacturing to the mainland?

JOHNNY CHIANG: That's a very good question for every trading state when it considers trade openness. If we talk about trade prioritization, there are different theories to explain and to judge whether a state should adopt an open and free trade policy or not.

Trade is Taiwan's lifeline. That doesn't mean that when Taiwan opened its trade there would be no damage to our industries or job markets. As the global economy is becoming interdependent, for a trading economy like Taiwan, our choices are very limited.

Mainland China is our number-one trading partner. About 41 percent of Taiwan's total exports go to Mainland China. To sign the ECFA actually is to institutionalize the economic exchange or the trading relationship already there, and to institutionalize a relationship with Mainland China.

Under the ECFA, there are also some tariffs will be reduced. Some sectors and industries will get an export advantage. On the other hand, we have also reduced some tariffs for certain imports from Mainland China.

The government has been preparing all possible means to reduce damages to our industries, including job losses.

More importantly, through the opening process we can increase job opportunities. According to our latest estimate, from the 539 tariffed items which will receive the tariff benefit, we will gain 60,000 jobs in Taiwan.

After the balance, we still think the ECFA will benefit Taiwan's interests.

QUESTION: I'd like you to talk about how the [battle with Google in China](#) is affecting Taiwan and what efforts the Chinese Mainland government is making to possibly block information from coming into and leaving Taiwan.

JOHNNY CHIANG: Unfortunately, Mainland China today still has a lot of constraints on their information flow. Taiwan is a full democracy, so we don't have that problem. We would like to see Mainland China take those constraints off, but for the time being there are still some difficulties.

What Taiwan can do is to try our best to provide all kinds of information that can be seen or heard in Mainland China.

We also try to open our door to the people in Mainland China. For example, recently we relaxed policies so that Chinese tourists can visit Taiwan. That is the best way to let them see the freedoms of a democratic country. So far, 1.28 million Chinese tourists have visited Taiwan.

QUESTION: Why would Taiwan spend millions or billions on the planes that you bought from our country to defend yourself when, if China were really serious about taking you over, there's no way that Taiwan could defend itself without somebody else helping?

JOHNNY CHIANG: Credible military deterrence definitely will work. It will have some deterrent effect, to prevent any possible miscalculation. So that's necessary for a democracy like Taiwan.

Because the government in Taiwan is elected by the people, they have the responsibility to protect the people from any irrational or miscalculated attack.

QUESTION: When I was in Taiwan last year, compared to 20 years ago, one noticeable difference was the age of the population, the relative paucity of younger people.

The question concerns Taiwan's relatively low birth rate and the demographic decline of the population. What implications does this have in terms of Taiwan's economy, national security, and the ability to retain a distinct presence as you have greater economic and political integration with the region and with China?

JOHNNY CHIANG: Aging is a big question. It is true that the Taiwanese population is aging. It's very similar to Japan and South Korea's cases.

My government actually has been working very hard to encourage our young people to get married and then to have babies. That will be the most fundamental way to solve the problem.

But it's not easy, because right now it is very expensive to have a family. If you want to raise kids, it is even more expensive.

Our government has to design many kinds of social welfare programs—that is what we are doing now—to increase the birth rate and to encourage young people to get married. So we have housing projects, for example, to subsidize rents for young couples.

And there are other initiatives. For example, if you have more than two or three babies, then you get compensation from your local government. They have a different approach in the central and the local governments.

Eventually we want to have a larger younger generation. In the short term we will have to face this problem, and it will affect our economic growth. That is why in our economic strategy we want to transform our economy from labor-intensive/capital-intensive to so-called innovation-intensive.

We want to make Taiwan become an international center for innovation. We want to have more international talent coming to Taiwan to contribute to our economic growth. So we have different policy measures.

Earlier this year we just passed a new act we call the Industrial Innovation Act which will bring down our business tax. It used to be 25 percent. Now, according to this Act, it will be down to 17 percent, which is very competitive. It is one of the lowest rates in Asia. Hong Kong is currently 16.5 percent and Singapore is 17 percent.

The Industrial Innovation Act and the ECFA with Mainland China are the two major economic engines for Taiwan's economic growth in the near future. We hope to use this to attract more foreign direct investment and foreign talent to come to Taiwan.

QUESTION: I read that last week when the trade agreement was brought up in your Parliament, there were scuffles between members of the government and the opposition, with the opposition basically being very concerned that this agreement would make Taiwan overly dependent on China and ultimately pave the way for political reunification.

I wonder where you see Taiwan, not just in your children's era, but in your grandchildren's era. How do you see its relation in terms of independence and integration with China?

I'd also like you to follow up on something that you said. You said that the agreement was three giant steps and one of those steps was to speed up integration with Asia. What is Taiwan's vision for Asian integration? Is it something like the European Union?

JOHNNY CHIANG: That is a very complicated question.

Regarding economic dependence on Mainland China, I would like to say the global economy today is very interdependent. [Thomas Friedman tells us the world is flat](#). So when we talk about one economy depending on another, perhaps we have to bring in even more economies in order to complete the whole picture.

For example, currently 41 percent of our exports are going to China. However, a large proportion of them are re-exported to the United States.

We have a huge trade deficit against Japan and we import a lot of raw materials from Mainland China and from South East Asian countries.

So what I am trying to say is that the world economy is interdependent. Today it is very difficult to tell you, if for example, your radio is made in China or in Taiwan. There are too many components inside of one final product. It makes it very difficult to identify where the products are coming from.

So the ECFA is designed to institutionalize the current economic exchange across the Taiwan Strait.

More importantly, we should not put all of our eggs in one basket. So 41 percent is 41 eggs in

the Chinese basket. We have the other 59 eggs that we try to put in other emerging markets such as India and South East Asian countries in order to diversify our export destiny. We are therefore not overly dependent on the Chinese market.

In regards to political integration or political unification, the current administration in Taiwan, President Ma, has said very clearly during his term he will not deal with these issues. His principle is no unification, no independence, no use of force across the Taiwan Strait.

ECFA is economic agreements. It is nothing about political content or political cooperation agreements. There is still a long way to go and there is no timetable.

For Asian economic integration, it is not going to be possible for it to turn into another European Union. That's very difficult, because when we are talking about economic integration, there are many different stages. It starts with a free trade area and then moves onto a customs union and then a common market. Finally you've got an economic union, like the European Union.

Asia has not achieved the first stage yet. They are now in the process of achieving a free trade area.

QUESTION: There is some concern in the world that production in China is going to start to slow down and that this insatiable country, which hasn't been able to get enough copper and steel and other raw materials over the past five years, is going to need less and less as the economy slows. But you said Taiwan expects to grow 60,000 jobs. Where? How?

JOHNNY CHIANG: The benefit we can get from signing the ECFA is primarily because of the tariff reductions. Free trade agreements will cause two major effects: trade creation and trade diversion.

When Taiwan signs a trade liberalization agreement with Mainland China, that means that we will have a greater competitive advantage to attract market shares from our competitive rivals, such as South Korea, Japan, and other South East Asian countries. We all share the Chinese market. So if we can have more tariff advantage, then we may get more market share. That will have a trade-diverging effect.

The trade creation effect is that we now enjoy competitiveness in the Mainland Chinese market. Because of the reduction of the tariff, we have even more of an advantage. That's our estimate.

For example, when I flew from Taipei to New York, there was a gentleman sitting beside me. I asked him what he does for a living. He said he creates designs for women's underwear. He exports those products to American markets, especially for Victoria's Secret, and then exports those to the EU market.

I said, "What do you think about the effects of ECFA on your industry?"

He said, "Well, I just received some phone calls from Mainland China."

Because of the future tariff reduction, there will be an increase in orders for his products.

If you are competitive and there are less tariff barriers, then you will become more competitive.

QUESTION: I have a question about your diplomatic strategy and the emphasis, or partial emphasis, that you place on participation in United Nations bodies, given that whenever you seek new ties one factor is Mainland China's opposition to that.

Historically, Taiwan has placed a lot of emphasis on membership in the United Nations and in the past has placed emphasis on diplomatic relations with very small Pacific island nations. I wonder about the rationale for still emphasizing ties with UN bodies versus bilateral ties with countries.

If there was a crisis, the latter would provide you with potentially significant support as opposed to United Nations ties, which might provide domestic popularity in Taiwan but not mean much in the way of anything tangible that I see coming back to Taiwan.

JOHNNY CHIANG: Taiwan has a very special status in the international community with respect to Mainland China. When we talk about our diplomatic and foreign policies, it is quite different from other countries.

The reality is that international politics is sometimes realistic. So the current administration has tried to adopt a pragmatic policy: That is to have a diplomatic truce with Beijing, which means we don't want to have a zero-sum game with Beijing and spend resources without any concrete effects.

That is why President Ma insists that we have to follow the so-called above-board or upright diplomacy and focus on humanitarian diplomacy. We also must ask Beijing to follow the diplomatic truce, instead of spending money unnecessarily.

QUESTION: I want to say thank you for talking about democracy in Taiwan. It's such an amazing achievement there and something we follow very closely.

One question I have is the intersection between politics and economics. Particularly, what we are seeing more and more is that often the Chinese authorities will use economic power outside of China as some form of political leverage, particularly often to suppress voices, whether it's about Uyghurs or Tibetans or other issues.

I just wanted to ask: (1) how much of a challenge or concern is there about that happening in Taiwan; and (2) given the cultural understandings and understandings related to democracy that Taiwanese people have, are there suggestions that you or others might have for how people outside of China should deal with these things when they come up?

There have been some very interesting legal cases in Taiwan of resistance to that kind of pressure, and it has been very impressive. So I wanted to ask about that intersection between potential economic pressure being used to achieve political aims and what thoughts there have been on how to protect Taiwanese democracy and freedoms from that.

JOHNNY CHIANG: In Taiwan there should be no problem in that regard. If you went to (come, could come to) Taiwan, then I think you would personally experience our vibrant, free, and

competitive media environment.

Even though our democracy is young, it unites the people in Taiwan. People will not tolerate anything that will destroy or that will damage our democracy. So, in Taiwan there would be no problem.

In Mainland China, there is still a long way to go and it will definitely take a lot of time to make a change. How other countries and Taiwan can put some pressure on Beijing will be the key to make Mainland China more free and more transparent.

WILLIAM VOCKE: Thank you, Mr. Minister. Thank you very much.

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